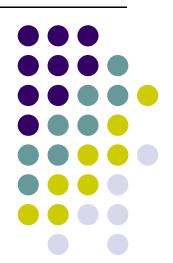
Renewable Energy Transmission Initiative

Subject: Draft RETI Report Release Local Agency WebEx





- Stakeholder-Driven Collaborative Planning Process
- Create Transmission Plans to achieve 33% goal.
 - First Step: Identify and rank of Competitive Renewable Energy Zones (CREZ) to target best areas to build out transmission.
- Will inform renewable generation & transmission line permitting & planning (without usurping any authority)---
 - CPUC, POU, & federal transmission permitting
 - CPUC oversight of IOUs' RPS procurement
 - CEC transmission corridor designation
 - CAISO transmission planning & queue reform
 - CEC, local & federal renewable generation permitting



- Assumes remote renewables are necessary to meet 20% and 33% RPS goals
- Compares renewables to renewables
 - Does not compare renewables to other options/loading order
- Prioritizes renewable zones & required transmission
 - Economic Costs
 - Environmental impact
- Emphasizes stakeholder involvement, vetting



Organizational Structure

- Coordinating Committee
 - Agencies, Utilities
- Stakeholder Steering Committee
 - 29 Stakeholders
- Plenary Stakeholder Group
 - General Public, Interest Groups



Working

Group

Structure





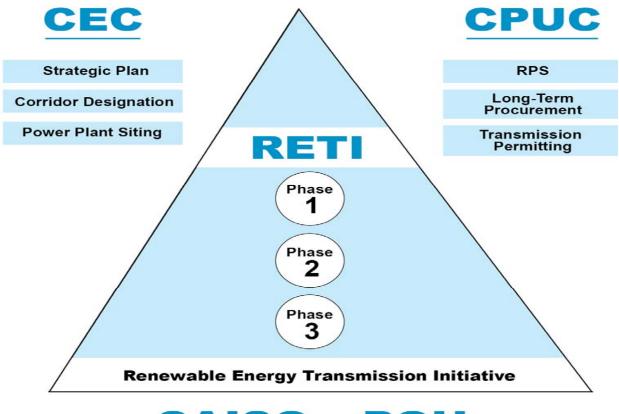


Scope and Timing

- Phase 1 (12/08 completion target)
 - Identification and Ranking of CREZs
 - Phase 1A: Criteria, Assumptions & Methodology
 - Phase 1B: CREZ Identification and Ranking
 - Preliminary Draft Report Completed August, 2008
 - Draft Report & Maps Issued November 5, 2008
- Phase 2 (Spring 09 completion target)
 - Development of conceptual transmission plans
- Phase 3 (2010 completion target)
 - Detailed transmission plans of service



RETI Statewide Processes



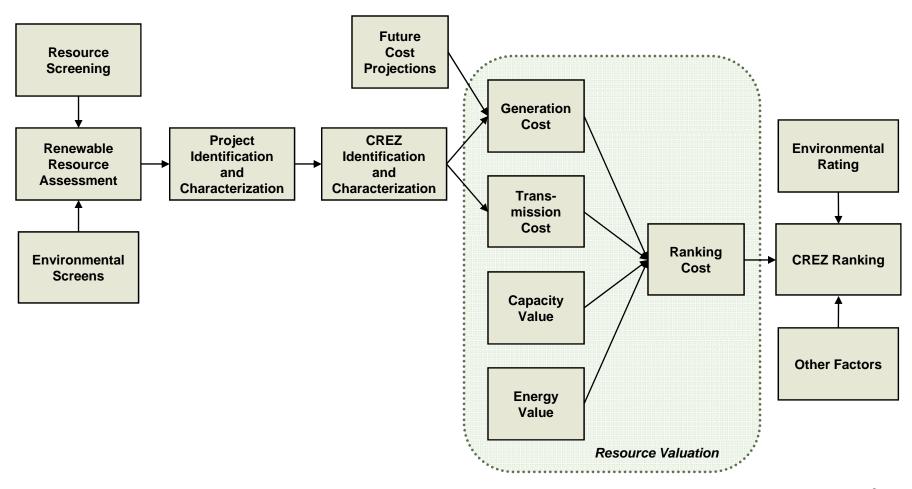
CAISO & POUs

Transmission Planning Processes

Generator Interconnection Process FERC Order 890 Subregional Planning Process POU Certification Process



Phase 1 Methodology





11/5/08 Draft Report Results

- 29 CREZ in California Identified and Ranked
 - Representing 200,000 GWh/yr
 - Need 68,000 GWh/yr for 33%
 - 110,000 GWhr/yr out-of-state CREZ
 - General Transmission requirements identified
 - Environmental Screening and Ranking included



Phase 1 – Environmental Review

Areas that were Excluded and Restricted from Development---

<u>Category 1</u>: Areas where law or policy currently prohibits development, for example:

- Designated federal Wilderness areas
- Units of National Park System
- USFS Roadless Areas
- National Wildlife Refuges

<u>Category 2</u>: Areas where existing restrictions are expected to limit development, for example:

- BLM Areas of Critical Environmental Concern
- Designated Critical Habitats for Federally listed Endangered/Threatened Species
- Proposed and Potential Conservation Reserves in HCPs & HCPPs



Phase 1 – Environmental Review

- CREZ Rating Formulas for 8 Criteria
 - Amount of degraded land in CREZ
 - Affected area (Development Footprint)
 - Significant Species impacted by CREZ
 - Sensitive Areas near CREZ Boundaries
 - Sensitive Areas inside CREZ
 - Transmission ROW needed to link CREZ
 - Wildlife Corridors impacted by CREZ
 - Bird Habitat impacted by CREZ